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OCT - 3 1996

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FEDERAL COMMUNICATIONS COMMISSION

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October 3, 1996

VIA MESSENGER

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D.C. 20554

Re: Ex Parte Presentation  
PR Dockets 89-552 & 92-235

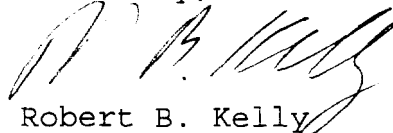
Dear Mr. Caton:

On behalf of Securicor Radiocom Ltd. ("Securicor") and pursuant to Section 1.1206(a) of the Commission's Rules, this will constitute notice that on October 2, 1996, Michael R.J. Bayly, Securicor's North American Business Development Manager, Robert B. Kelly and Katherine S. Poole of Kelly & Povich, P.C., counsel to Securicor, met with Suzanne Toller, Legal Advisor to Commissioner Rachelle B. Chong and with Jackie Chorney, Legal Advisor to Chairman Reed E. Hundt regarding the FCC's Third Notice of Proposed Rule Making ("Third Notice") in PR Docket 89-552 and regarding the outstanding Petitions For Reconsideration of the Report and Order and Further Notice of Proposed Rulemaking in PR Docket 92-235. The parties discussed the matters raised in Securicor's Comments and Reply Comments on the Third Notice in PR Docket 89-552 and in its Petition For reconsideration in PR Docket 92-235. In addition, the attached materials were distributed and discussed at the meeting.

Two copies of this notice are submitted herewith pursuant to Section 1.1206(a)(1) of the Rules.

Should there be any questions on this matter, kindly communicate with this office.

Sincerely,

  
Robert B. Kelly

cc: Suzanne Toller  
Jackie Chorney

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# SPECTRUM EFFICIENCY IN THE 220-222 MHz BAND

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

-- Section 7 of the Communications Act provides "[i]t shall be the policy of the United States to encourage the provision of new technologies and services to the public." Section 303(g) provides that the FCC shall "generally encourage the larger and more effective use of radio in the public interest." Section 332(a) states that the Commission shall consider in taking actions to manage spectrum whether such actions will "improve the efficiency of spectrum use." These mandates were unchanged by the Omnibus Budget Reconciliation Act of 1993 which provided the Commission authority to auction Title III radio licenses. National policy of promoting spectrally efficient new technologies stands independent of auctions.

--220-222 MHz Band was reallocated from use by amateur radio to Part 90 PLMR uses to promote advanced spectrally-efficient narrowband technologies consistent with Communications Act obligations. FCC expressly relied upon public benefits in promoting advanced spectrally-efficient technologies in allocation decision, in testimony before Congress and in Briefs to Court of Appeals. See attached "Prior FCC Pronouncements."

--Since allocation, 220-222 MHz band has spurred investment in research and development in spectrally-efficient technologies, and deployment of new technologies. SEA, Inc., Securicor Radiocom and E.F. Johnson have deployed equipment operating on 5 kHz channels. Securicor's Linear Modulation systems currently provide 14.4 kbps in a 5 kHz channel. Securicor's LM equipment was demonstrated at the FCC's March 1996 *en banc* hearing on spectrum issues. Others (NTT, Scientific Atlanta) are developing their own implementations of 5 kHz narrowband technology. AMTA estimates that almost 800 5 channel 5 kHz "Phase I" systems will be in operation *and providing service* by the construction deadline and over \$63 million in investment (not including investment by manufacturers in R&D and equipment production).

--Allocation of 220-222 MHz band has focused world attention on U.S. as world leader in spectrum efficiency with first major deployment of 5 kHz technology. This has resulted in U.S. job creation and enhanced economic growth. Securicor has announced its intentions to merge its LM business with Midland U.S. distribution business and with INTEK Diversified Corp. (Parent of Roamer One service business), with the surviving entity to be INTEK, a U.S. publicly traded company (NASDAQ small caps, symbol: IDCC).

--Use of 220-222 MHz band as test bed for development of technology translatable to other bands has succeeded. Securicor and SEA have actively participated in "refarming" proceeding, with PSWAC and APCO-25 looking toward introducing narrowband technologies in other markets.

--Third NPRM in Docket 89-552 proposed (para. 81) to allow aggregation of channels in 220-222 MHz band to permit use of non-narrowband *advanced* technologies "to allow licensees flexibility to take advantage of [TDMA] *and other spectrum efficient technologies.*" The Commission stated there that "*we therefore tentatively conclude that licensees choosing to aggregate channels must maintain a spectral efficiency at least equivalent to that obtained through five kHz channelization.*" This preserved the essential and unique character of the 220-222 MHz band as dedicated to the development of new spectrally-efficient technologies.

--Certain parties (Metricom, COMTECH) argue that the FCC need not adopt any spectrum efficiency requirement for 220-222 MHz band. They claim that auction of licenses in Phase II will ensure efficient use of spectrum.

--Abandonment of proposal for spectrum efficiency for 220-222 MHz band will fundamentally alter essential character of band. Failure to incorporate any spectrum efficiency standard in band would enable use of old analog 25 kHz systems as well as advanced wideband technologies like TDMA (as contemplated by 3rd NPRM) contrary to unique history of 220-222 MHz band and purpose for reclaiming spectrum from amateurs.

--Abandonment of spectrum efficiency proposal for 220 band would stand at odds with national policy established in Sections 7, 303 and 332 of Communications Act.

--Abandonment of spectrum efficiency proposal for 220 band would signal other nations of U.S. abdication of world leadership in development of spectrally efficient technologies, and provide disincentive for equipment manufacturers to invest in needed research and development to continue to further develop the state-of-the-art in spectrum efficiency.

--Economic analysis of impact of abandonment of spectrum efficiency standard should consider macroeconomic policy, including, among other factors, impact on job creation from lessened R&D expenditures and possible loss of U.S. market share to "older" technologies mass produced in the Pacific Rim. National macroeconomic policy does not equate to the cumulation of individual microeconomic decisions made by individual licensees. FCC responsibility is to make the most efficient use of the spectrum for the public, not just purchasers of licenses at auction. Promoting spectrum efficiency will enable the most parties to benefit from spectrum use and will provide the maximum capacity available for auction.